

Message Text

CONFIDENTIAL

PAGE 01 LONDON 05603 01 OF 02 091843Z

44

ACTION EUR-12

INFO OCT-01 ISO-00 CIAE-00 PM-04 H-02 INR-07 L-03 NSAE-00

NSC-05 PA-01 PRS-01 SP-02 SS-15 USIA-06 ACDA-07

TRSE-00 SAJ-01 /067 W

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R 091827Z APR 76

FM AMEMBASSY LONDON

TO SECSTATE WASHDC 0678

SECDEF

INFO USMISSION NATO BRUSSELS

AMEMBASSY ANKARA

AMEMBASSY ATHENS

AMEMBASSY BONN

AMEMBASSY BRUSSELS

AMEMBASSY COPENHAGEN

AMEMBASSY LISBON

AMEMBASSY LUXEMBOURG

AMEMBASSY OSLO

AMEMBASSY OTTAWA

AMEMBASSY REYKJAVIK

AMEMBASSY ROME

AMEMBASSY THE HAGUE

USNMR SHAPE

USCINCEUR

CINCUSAFE

USLOSACLANT

USDOCOSOUTH

C O N F I D E N T I A L SECTION 01 OF 02 LONDON 05603

NATO PASS NAPO SUBSTANCE OR CONTENTS PARAS 1' 2, 3 ONLY

E.O. 11652: XGDS-L

TAGS: MILI. UIK. NATO

SUBJ: NATO AWACS STATEMENT OF UNDERSTANDING (SOU) ON

INITIAL PROGRAM FINANCING

REF: (A) STATE 84736; (B) LONDON 4911

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PAGE 02 LONDON 05603 01 OF 02 091843Z

1. CORNFORD, CHIEF EXECUTIVE, PROCUREMENT EXECUTIVE, SAW REFTEL A AND SUGGESTED NEED FOR SOME CHANGES. M/GEN RICHARD BOWMAN, USAF, ACCOMPANIED BY EMBOFFS DISCUSSED WITH JAFFRAY, DEPUTY UNDER SECRETARY, AIR SYSTEMS PROCUREMENT EXECUTIVE, AND PROUT, DEPUTY CONTROLLER, AIRCRAFT/PE, CONTENT OF REFTEL A.

2. ON BASIS OF POINTS MADE BY BRITISH AND TO FACILITATE SMOOTH SAILING OF SOU, WE RECOMMEND WASHINGTON ACCEPTANCE OF FOLLOWING CHANGES TO THE SOU, REPEAT SOU, WHICH EMERGED FROM OUR DISCUSSIONS:

(A) REPLACE PARA 4 WITH FOLLOWING:

"THE MAXIMUM FUNDING IS NOT TO EXCEED DOLLARS 15 MILLION TO 31 DECEMBER 1976 AND EXPENDITURES FOR EACH SPECIFIC TASK WILL BE CONSIDERED SEPARATELY AND BE APPROVED BY THE ALLIES PARTICIPATING IN THE FUND.";

(B) REPLACE PARA 5 WITH FOLLOWING:

"THE FOLLOWING NATIONS AGREE TO SHARE THE COSTS IN THE FOLLOWING PROPORTIONS AND UP TO MAXIMUMS INDICATED."

3. CONCERNING REFTEL A, REPEAT REFTEL A, BRITISH REPS FELT THAT AN ANNEX ON DETAILED JUSTIFICATIONS, PARA 3, WAS ALL THAT IS REQUIRED IN SPELLING OUT ITEMS TO BE AUTHORIZED PRIOR TO JUNE 1976 (I.E. PARA 1A OF REFTEL A WOULD NOT BE NEEDED). BRITISH RECOMMENDED FOLLOWING CHANGES TO PARA 3 REFTEL A:

(A) SUBPARA C. LINE 7. STRIKE "SUSTAIN...AWACS" AND IN LIEU INSERT "INSURE THAT THIS CAPABILITY WOULD BE AVAILABLE IN ORDER TO AVOID DELAYS IN THE PROGRAM IF PRODUCTION IS INITIATED IN DECEMBER".

(B) SUBPARA D. LINE 4. STRIKE "FROM...AWACS" AND IN LIEU INSERT "OF BOEING CDS WORK IN ORDER TO AVOID THE ADDITIONAL EXPENSE OF RESTARTING THE WORK".

(C) SUBPARA E. LINE 2. STRIKE "TRADE...NEEDED" AND INSERT "TRADE-OFF STUDIES ARE NEEDED". STRIKE "FOR...ITERATIONS". LINE 8 STRIKE "EFFECTIVELY BE COMPRESSED" AND INSERT "BE COMPRESSED EFFECTIVELY". STRIKE PARA 4 AFTER SUBPARA E ENTIRELY.

4. CORNFORD, IN A SEPARATE CONVERSATION, RE-EMPHASIZED CONFIDENTIAL

CONFIDENTIAL

PAGE 03 LONDON 05603 01 OF 02 091843Z

CONFIDENTIAL

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CONFIDENTIAL

PAGE 01 LONDON 05603 02 OF 02 091846Z

44

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TO SECSTATE WASHDC 0679

SECDEF

INFO USMISSION NATO BRUSSELS

AMEMBASSY ANKARA

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C O N F I D E N T I A L SECTION 02 OF 02 LONDON 05603

DIFFICULTY UK WOULD HAVE WITH MINISTERS WITHOUT "A CLEAR JUSTIFICATION" TO PERSUADE TREASURY WHICH HAS TAKEN STRONG POSITION THAT IT CANNOT COMMIT MORE FUNDS "THAN TECHNICALLY NECESSARY". THUS, UK NEEDS MORE EXPLICIT RATIONALE OF WHY FUNDS ARE NEEDED NOW; WHAT FOR AND WHEN THEY WILL

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PAGE 02 LONDON 05603 02 OF 02 091846Z

BE EXPENDED. SPECIFICALLY, BRITISH ASKED FOR EXPLICIT STATEMENT OF COST IMPLICATIONS FOR AWACS PROGRAM IF THE ITEMS IN THE SOU ARE NOT INITIATED AT TIMES INDICATED (I.E. WOULD AIRCRAFT NEED RETROFITTING LATER? OR HOW LONG WOULD PROGRAM BE DELAYED, AND AT WHAT COST, ETC.) ALSO, BRITISH SEEK SIMLLAR DETAILED JUSTIFICATION FOR ALL ITEMS TO BE FUNDED BY THE DOLLARS 15 MILLION THROUGH DECEMBER 1976. JAFFRAY MADE POINT THAT MOD PREFERENCE IS FOR INFO TO BE PROVIDED BY NAPO RATHER THAN DIRECTLY FROM US.

5. SUBSEQUENT TO ABOVE MEETING. DEPSECDEF TOOK UP WITH MINISTER RODGERS MATTER OF AWACS. MR. ELLSWORTH EXPLAINED TO RODGERS THE REASONS WHY US CONSIDERED IT IMPORTANT THAT THE THREE COUNTRIES SIGN SOU AS EARLY AS POSSIBLE. RODGERS EMPHASIZED IMPORTANCE OF POINTS ALREADY MADE BY JAFFRAY. DEPSECDEF PROMISED REQUIRED INFORMATION FROM US TO NAPO NO LATER THAN A WEEK. RODGERS SAID AWACS IS THE PREFERRED CHOICE "IF THE PRICE IS RIGHT". HE SAID BRITAIN COULD ONLY JOIN PROGRAM IF ANOTHER ALLY JOINED. NOTING THAT AWACS WOULD BE THE NEXT BIG BUY OF NEW EQUIPMENT, RODGERS EMPHASIZED THAT THE "NIMROD LOBBY" IS STRONGOTH IN PARLIAMENT AND IN INDUSTRY. ANY DECISION TO GO AWACS WOULD BE VERY HEAVILY SCRUTINIZED. RODGER SAID WE MUST REALIZE IT WILL NOT BE EASY AT BEST TO DEFEND THE DECISION IN THE HOUSE OF COMMONS, BUT AS A NATO PROJECT IT WOULD MAKE IT MORE ACCEPTABLE. RODGERS SAID THAT MOD COULD NOT AFFORD TO KEEP "OPTIONS OPEN" BEYOND YEAR'S END -- HENCE NIMROD WOULD GO FORWARD IF THE PREFERRED NATO SOLUTION CANNOT BE MADE TO MAKE SENSE.

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